

Section 1- Abusive Schemes (Toolkits)

Abusive Scheme Strategy:

The Small Business and Self-Employed (SB/SE) Strategy and Program Plan for FY 2003 have established a strategy for addressing non-compliance as a major priority for SB/SE. Taxpayer Education and Communication's (TEC's) role in the strategy involves the implementation of an extensive counter-marketing plan against abusive tax schemes and the people who promote them.

There are two components to the TEC counter-marketing effort:

- First, TEC will partner with external stakeholders for delivery of the counter-marketing messages.
- Second, TEC will counter-market to address specific schemes and educate groups pursued by promoters.

In addition to mounting effective counter-marketing campaigns, TEC employees have been trained to recognize previously unidentified abusive tax schemes and promoters, and refer them through proper channels to the Compliance function.

Because the promotions of abusive tax evasion schemes have increased, TEC will be cautioning taxpayers to beware of tax-savings pitches that sound too good to be true and urging them to seek expert advice before committing to any scheme that promises instant wealth or exemption from taxes.

The IRS is actively investigating promoters of these arrangements and examining the returns of the persons using the schemes. Both promoters and investors are subject to civil and/or criminal penalties.

For further information, visit the Criminal Investigation web site at www.ustreas.gov/irs/ci.

If you have specific questions on a tax scheme or wish to report a possible scheme, call 1-866-775-7474 or send an e-mail to: irs.tax.shelter.hotline@irs.gov.

Abusive Schemes Counter-Marketing Tools:

To reach the maximum audience, the IRS recognizes the importance of partnering with external stakeholders. As a result, toolkits have been developed to aid stakeholders in assisting the IRS with counter-marketing against abusive tax schemes.

For additional information, including PowerPoint Presentations on these topics, contact the IRS Taxpayer Education & Communication (TEC) Abusive Schemes Center of Excellence staff at (636) 940-6227.